

**From:** [Carlos Sanchez](#)  
**To:** [Gloria-Small Moran](#)  
**Cc:** [Gary Moore](#); [Rafael Casanova](#); [Robert Werner](#)  
**Subject:** Re: Falcon Refinery - Sale Document  
**Date:** 03/10/2012 03:03 PM  
**Attachments:** [2-23-12 Letter Agreement.pdf](#)

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We can meet, but I would not recommend that they take back the RI/FS work activities. I believe that we should continue what we are doing and complete this work and select a remedy for the site as soon as possible. We have gone through this several times, only to go back to square one and causing more delays in completing the RI/FS. This has gone on too long and we can not or should not even consider returning the RI/FS work back to NORCO. If NORCO wants to do work at the site, we can let them signed up for the RD and RA work activities. CAS

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▼ [Gloria-Small Moran---03/09/2012 04:52:01 PM---Rafael: As we discussed this afternoon, please see the attached agreement relating to the sale of t](#)

From: Gloria-Small Moran/R6/USEPA/US  
To: Rafael Casanova/R6/USEPA/US@EPA  
Cc: Carlos Sanchez/R6/USEPA/US@EPA, Robert Werner/R6/USEPA/US@EPA, Gary Moore/R6/USEPA/US@EPA  
Date: 03/09/2012 04:52 PM  
Subject: Falcon Refinery - Sale Document

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Rafael:

As we discussed this afternoon, please see the attached agreement relating to the sale of the Falcon Refinery site. As I mentioned to you, NORCO is interested, through the buyer, in resuming performance of the RI/FS. Because of this request from NORCO, the Enforcement team recommends that we cancel the site briefing for Falcon scheduled for next Thursday, March 15, 2012. Instead, the Enforcement team proposes that the Site Team and managers meet some time next week to discuss the issues, develop a recommendation on this issue, and then schedule a meeting with Sam/Pam some time during the following week of March 19.

Thanks,

Gloria Moran  
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----- Forwarded by Gloria-Small Moran/R6/USEPA/US on 03/09/2012 04:22 PM -----

From: "Richard Bergner" <rbergner@rflaw.net>  
To: Gloria-Small Moran/R6/USEPA/US@EPA  
Cc: "Jonathan Carroll" <jcarroll@lazarusenergy.com>  
Date: 03/08/2012 03:12 PM  
Subject:

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Gloria:

Per your telephone message yesterday afternoon and as you requested in your e-mail to me, dated February 24, 2012, I have attached herewith Letter Agreement, dated February 23, 2012, between National Oil Recovery Corporation and Lazarus Energy Holdings, LLC and Lazarus Texas Refinery I, LLC, covering in part the conveyance of the Falcon Refinery on February 29, 2012.

To keep the record straight, Lazarus Energy Holdings, LLC is the 80% parent of Blue Dolphin Energy Company (which is traded on the Nasdaq stock exchange), and the 100% parent of Lazarus Texas Refinery I, LLC.

Section 4.1 of the Letter Agreement addresses the issue of Lazarus Energy Holdings, LLC and Norco using their combined best efforts post closing to cause the EPA to reinstate the RI/FS Agreed Order in favor of Norco.

Lazarus Energy Holdings, LLC intends to continue to use Stephen Halasz and his TRC personnel to complete the Removal Action and it would be for Mr. Halasz and his TRC crew to also finish up on the RI/FS AOC and Agreed Order.

Please call with any questions or comments you may have with respect to the attached Letter Agreement.

Richard F. Bergner



2-23-12 Letter Agreement.pdf